

Meeting:	Council
Meeting date:	Friday 8 March 2019
Title of report:	Council tax setting
Report by:	Cabinet member finance and corporate services

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To set the council tax and precepts for 2019/20.

At its meeting on 15 February Council approved the net budget requirement for Herefordshire Council of £151.1m and a council tax requirement of £104.3m on a tax base of 68,826.03 band D equivalents.

As the billing authority this report seeks approval for the council tax amounts for each category of dwelling in Herefordshire including precepts from West Mercia Police, Hereford and Worcester Fire Authority and Herefordshire parish councils for the financial year 2019/20.

Hereford City Council precept is to be confirmed at its meeting on the evening of 28 February. This decision and the total amount of parish precepts, including the Band D equivalent, will be published as a supplementary paper.

Recommendation(s)

That:

- (a) The precepting authority details incorporated in appendices 1 to 5, relating to town and parishes, West Mercia Police and Hereford and Worcester Fire Authority be approved in accordance with sections 30(2), 34(3), 36(1) and section 40 of the Local Government Finance Act 1992 (as amended) and that the following amounts be**

approved for the year 2019/20 in accordance with sections 31 to 36 of the Local Government Finance Act 1992, regulation 6 (as amended by the Localism Act 2011):

- a. the estimated aggregate expenditure of the council in accordance with section 31A (2) of the act, including all precepts issued to it by parish and town councils, will be confirmed following confirmation of the Hereford City Council precept;
 - b. £271,747,000 being the estimated aggregate income of the council for the items set out in section 31A (3) of the act (including revenue support grant);
 - c. the amount by which the aggregate at (a)a. above exceeds the aggregate at (a)b. calculated by the council in accordance with section 31A(4) of the act, as its council tax requirement for the year (including parish and town precepts) will be confirmed following confirmation of the Hereford City Council precept;
 - d. the amount at (a)c. above divided by the amount of the council tax base calculated by the council, in accordance with section 31B of the act, as the basic amount of its council tax for the year (including town and parish precepts) will be confirmed following confirmation of the Hereford City Council precept;
 - e. the aggregate amount of all special items (parish and town precepts) referred to in section 34(1) of the act will be confirmed following confirmation of the Hereford City Council precept;
 - f. £1,514.70 being the amount at (a)d. above less the result given by dividing the amount at (a)e. above by the amount of council tax base calculated by the council, in accordance with section 34(2) of the act, as the basic amount of its council tax for the year for dwelling in those parts of its area to which no parish or town precept relates (Herefordshire Council band D council tax, excluding parishes).
- (b) It is agreed that the net tax base of band d equivalent properties (being the gross tax base adjusted for an assumed collection rate) used for setting the budget requirement for 2019/20;
- a. Is allocated to band D equivalent dwellings per precept area as shown in appendix 1; and
 - b. The individual council tax allocations per valuation band of dwelling by parish (including police and fire precepts) as set out in appendix 5.

Alternative options

1. There are no alternative options to setting a council tax. As the billing authority, the council is required to set the overall council tax for the following financial year and Council approved the net tax base on which the precept is in part based at its meeting on 15 February; the remaining precept elements are set by other authorities and the council acts as the collecting agent for those precepted sums.

- Local government legislation requires the council to set council tax each financial year. It also requires that certain categories of income and expenditure and other financial information are provided in accordance with Local Government Finance Act 1992 (as amended by the Localism Act 2011).

Key considerations

- The Local Government Finance Act 1992 (as amended by the Localism Act 2011) sets out the specific amounts to be calculated and approved. This report enables the council to meet its legislative duty and set the council tax for each category of dwellings, including the council tax requirement of the council.
- Herefordshire Council approved a council tax increase of 4.9% (inclusive of the 2% adult care precept) over 2018/19 at its meeting on 15 February. The council's band D council tax for 2019/20 becomes set at £1,514.70.
- The parish and town precepts for 2019/20 detailed in appendix 1 will be updated following confirmation of the Hereford City Council precept requirement. Hereford City Council will confirm its precept at its meeting on the evening of 28 February, following this a supplementary paper will be published.
- The precepts for the Office of the Police and Crime Commissioner for West Mercia, an increase of 9.94%, and Hereford and Worcester Fire Authority, an increase of 2.98%, are shown in appendices 3 and 4.

Council tax calculations

- The calculation of council tax involves several stages and the Local Government Finance Act 1992 requires figures to be calculated including and excluding parish precepts. The following table demonstrates this requirement is met:

	Herefordshire Council £	Parish precepts £	Herefordshire incl. parishes (average) £
Estimated gross expenditure	375,998,000	TBC	TBC
LESS estimated income	(224,906,000)	Not applicable	(224,906,000)
Net budget requirement	151,092,000	TBC	TBC
LESS retained business rates	(35,950,000)	Not applicable	(35,950,000)
LESS revenue support grant	(624,000)	Not applicable	(624,000)
LESS rural sparsity delivery grant	(5,101,000)	Not applicable	(5,101,000)
LESS new homes bonus	(2,176,000)	Not applicable	(2,176,000)

LESS adult social care grant	(2,385,000)	Not applicable	(2,385,000)
LESS collection fund surplus	(500,000)	Not applicable	(500,000)
LESS EU exit preparation grant	(105,000)	Not applicable	(105,000)
Council tax requirement	104,251,000	TBC	TBC
Divided by council net tax base (band D equivalent)	68,826.03	68,826.03	68,826.03
Council tax at band D	£1,514.70	TBC	TBC

Council tax amounts

8. Appendices 1 to 5 to this report contain the individual council tax amounts for each category of dwelling as required by the Local Government Finance Act 1992 and associated regulations.
9. Herefordshire Council's band D council tax for 2019/20 is £1,514.70, which is an increase of £70.75 (4.9%) compared to 2018/19.
10. As part of the process we are required to include precepts from other bodies that will be included on council tax bills.
11. The parish precepts for 2019/20 are set out in detail in appendix 1 providing the parish precept requirement and the band D council tax charge for each parish. The charge by each property band, inclusive of the Herefordshire Council charge, is set out in appendix 2. The appendices will be updated and issued as a supplementary paper following confirmation of the Hereford City Council precept.
12. The Office of the Police and Crime Commissioner for West Mercia precept is set out in appendix 3 (£216.66 at band D).
13. The Hereford and Worcester Fire Authority precept is set out in appendix 4 (£84.34 at band D).
14. Appendix 5 provides the impact of all precepts on the council tax bill by detailing the total amount of council tax payable in each parish by property band. Hereford City Council will be provided as a supplementary paper.

Community impact

15. The council tax is levied to enable the council to resource service delivery in accordance with the corporate plan priorities established by full Council. The proposed increase could result in increasing individuals financial difficulties; this is mitigated by providing payment options, personal budgeting support, the council tax reduction scheme and financial hardship policy.

Equality duty

16.

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
17. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
18. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. This means that attempts to mitigate the harm need to be explored. If the harm cannot be avoided, the decision maker must balance this detrimental impact against the strength of legitimate public need to pursue the service change.
19. We will carry out service specific equality impact assessments for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.
20. The council tax charges may not directly impact on the equality duty because charges are levied in relation to property values and not individuals however where it may have an impact on households there are a variety of schemes in place to mitigate against a negative impact, including single person discount and council tax reduction.

Resource implications

21. The resources required for billing purposes are contained within existing budgets. As in prior years, information relating to council tax, including how the money is spent, will be available online and a weblink will be included on issued bills.

Legal implications

22. S30 of the Local Government Act 1992 places a duty on this council, as a billing authority, to set an amount of council tax for the different categories of dwellings, according to the band in which the dwelling falls before 11 March.
23. A notice of the amount set must be published in at least one newspaper circulating in the authority's area within 21 days of the decision.
24. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on this decision as a relevant matter, if he or she has an outstanding council tax debt of over two months. If a councillor is present at this meeting he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.

Risk management

25. That an incorrect precept is applied, this would result in differences between the amount collected and the amount required. Every effort is made to ensure the correct data is gathered and applied to minimise this risk.

Consultees

26. The council consulted with the public on the proposed budget for 2019/20. There were a total of 227 responses to the consultation; 51% of respondents thought the council's proposal to increase Council Tax by 4.9% was about right or not enough. The council tax charge is determined by the budget requirement as agreed by full Council on 15 February following a review of the outcome of the budget consultation.
27. The council has undertaken no consultation on the precepts of other authorities, this is not a matter that the council can undertake.

Appendices

Appendix 1 - Herefordshire Council requirement by parish, excluding Hereford City Council, including band D equivalent.

Appendix 2 - Council tax for each valuation band, by parish, without the police and fire precepts, excluding Hereford City Council.

Appendix 3 – The Office of the Police and Crime Commissioner for West Mercia precept requirement for each valuation band.

Appendix 4 - Hereford and Worcester Fire Authority precept requirement for each valuation band.

Appendix 5 - Council tax for each valuation band by parish, including the police and fire precepts, excluding Hereford City Council.

Background papers

None identified.